

## **New Jersey Early Intervention System Family Cost Participation**

### **Why does the New Jersey Early Intervention System (NJEIS) have a family cost participation system?**

The Department of Health and Senior Services (DHSS), as lead agency for the Early Intervention System in New Jersey, worked closely over the years with an Early Intervention Stakeholder Task Force, a Finance Task Force and most recently a Part C Steering Committee to provide recommendations on ways to improve the Early Intervention System to be more efficient, effective and fiscally responsible while continuing to meet the needs of eligible children and their families.

Changes to the Early Intervention System (EIS) were proposed to generate adequate revenue to address the ever-increasing number of children receiving services, the increasing intensity of needed services (for example, services to children with autism), and the increases in the states' funding commitment. A 15-20% growth in eligible children has occurred annually.

The cost of providing services is likely to continue to escalate along with other health and educational costs and budgetary constraints. Federal Part C financing has not and probably will not keep pace to meet the need of federal mandates.

In light of the state budget situation, the Administration determined that changes to institute a revised family cost share system would be needed to ensure fiscal stability to the Early Intervention System (EIS). A projected \$9 million budget increase in SFY 2004 for the EIS was needed to keep pace with the growth in direct service costs. The revenue from the revised family cost share system would not reduce the current state budget commitment to EIS.

While Part B of the Federal Individuals with Disabilities Education Act (IDEA) requires education, special education and related services to be provided to eligible children at no cost to the family, Part C of IDEA for early intervention is very different. Part C requires states to have a "system of payments" for Part C early intervention services that could include the consideration of family cost participation (e.g., sliding fee scale). Therefore, a state system of payment for early intervention services that includes family payments is allowable under the federal Individuals with Disabilities Education Act (IDEA), Part C regulations. Medicaid or private insurance can be designated payers. The payment for some services may be based on a sliding fee scale.

Changes in the New Jersey Early Intervention System, Federal Part C State Plan under the IDEA included instituting a monthly family cost share beginning with the first hour of service for families with incomes above 350% of the federal poverty level.

- The Family Cost Participation policy and procedures are based on a progressive sliding fee that is determined after considering the family's annual income and size.
- Family cost participation policy and procedures help to promote a family's voluntary use of private health insurance.
- A central management system for billing and collection provides data that increases the state's ability to access potential resources to pay for services.